



REPORT OF THE AUDIT DEPARTMENT
THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

DOCKET NO. 2002-1-E
CAROLINA POWER & LIGHT COMPANY

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ANALYSIS

The Audit Department Staff has made an examination of the books and records of Carolina Power & Light Company (hereinafter referred to as "the Company") relative to the Commission's requirement under Docket No. 2002-1-E, that periodic hearings be conducted before the Commission concerning the Adjustment of Base Rates for Fuel Costs.

The current investigation of the Company's Retail Fuel Adjustment Clause covered the period of January 2001 through March 2002. Since the current hearing is scheduled for March 2002, Staff's audit consisted of actual fuel costs for the period January 2001 through December 2001 and projected fuel costs for January, February and March 2002. Staff's computations of the Deferred Fuel Entries (Exhibit G) for the months of January, February and March 2002 were estimated for the purpose of adjusting base rates effective April 1, 2002. The January, February and March 2002 estimates will be trued-up in the Company's next hearing.

The Audit Department Staff's examination consisted of the following:

1. Analysis of the Fuel Stock Account—Account #151
2. Sample of Receipts to the Fuel Stock Account – Account # 151
3. Verification of Charges to Nuclear Fuel Expense – Account # 518
4. Verification of Purchased Power and Interchange (Net)
5. Verification of KWH Sales
6. Comparison of Coal Costs
7. Recomputation of Fuel Costs Adjustment Factor and Verification of Unbilled Revenue
8. Recomputation of True-up for (Over) Under-Recovered Fuel Costs
9. Analysis of Spot Coal Purchasing Procedures

ANALYSIS OF FUEL STOCK ACCOUNT-- ACCOUNT # 151

Staff's analysis of the Fuel Stock Account consisted of tracing receipts to and issues from the fuel management system to the General Ledger, reviewing monthly journal entries originating in fuel accounting, and ensuring that only proper charges are entered in the Company's computation of fuel costs for purposes of adjusting base rates for fuel costs.

SAMPLE OF RECEIPTS TO THE FUEL STOCK ACCOUNT – ACCOUNT # 151

Staff's sample of receipts to the Fuel Stock Account consisted of randomly selecting transactions, tracing each of these transactions to a waybill and a

In accordance with Public Service Commission Order No. 90-961, Docket No. 90-004-E, dated October 18, 1990, Staff will continue to review the Company's nonfirm, off-system transactions during future audits.

VERIFICATION OF KWH SALES

The Audit Department Staff reconciled the KWH sales as reported to the Commission through monthly fuel adjustment filings.

COMPARISON OF COAL COSTS

Staff prepared exhibits from Carolina Power and Light Company's books and records reflecting coal costs during the review period. Specifically, these exhibits are as follows:

Exhibit A – COAL COST STATISTICS

Exhibit B – RECEIVED COAL – COST PER TON (PER PLANT)

Exhibit C – RECEIVED COAL – COST PER TON COMPARISON

With reference to Exhibit A, Coal Cost Statistics, Staff has shown a detailed analysis of spot and contract coal for the twelve (12) months ended December 2001. Also, in Exhibit A, the Weighted Average of Coal Received is reflected for the twelve-month period. Total costs for the twelve-month period were divided by the total tons for the twelve-month period in arriving at the average.

In Exhibit B, Received Coal-Cost Per Ton (Per Plant), Staff reflects the overall cost per ton of coal by month per plant.

In Exhibit C, Received Coal-Cost Per Ton Comparison, Staff reflects the overall cost per ton of coal by month for the three major electric utilities regulated by this Commission.

RECOMPUTATION OF FUEL COSTS ADJUSTMENT FACTOR AND VERIFICATION OF UNBILLED REVENUES

Staff recomputed the Fuel Costs Adjustment Factor for the months of January 2001 through December 2001.

RECOMPUTATION OF TRUE-UP FOR (OVER) UNDER-RECOVERED FUEL COSTS

Staff analyzed the cumulative under-recovery of fuel costs that the Company had incurred for the period January 2001 through December 2001 totaling \$9,906,921. Staff added the projected over-recovery of \$1,130,546 for the month of January 2002, the projected over-recovery of \$1,189,539 for the month of February 2002, and the projected over-recovery of \$878,834 for the month of March 2002 to arrive at a cumulative under-recovery of \$6,708,002 as of March 2002. The Company's cumulative under-recovery, per its testimony in Docket No. 2002-1-E, as of December 2001 totals \$10,342,066 and as of March 2002, the cumulative under-recovery totals \$7,143,146. The difference between the Company and the Staff's cumulative under-recovery as of actual December 2001 is \$435,145, and the difference as of estimated March 2002 is \$435,144 (the difference between the respective cumulative differences is based on rounding). The cumulative difference as of December 2001 of \$435,145 is based on Staff's calculation adjustments to the Purchased Power Costs for January

2001 through December 2001 (per Staff's report), after Staff reviewed the Company's Purchased Power invoices and reports.

As stated in Carolina Power & Light Company's S.C. Retail Adjustment for Fuel Costs Rider, fuel costs will be included in base rates to the extent determined reasonable and proper by the Commission.

Accordingly, the Commission should consider the under-recovery of \$6,708,002 along with the anticipated fuel costs for the period April 1, 2002 through March 31, 2003 for the purpose of determining the base cost of fuel in base rates effective April 1, 2002. The \$6,708,002 under-recovery figure was provided to the Commission's Utilities Department.

ANALYSIS OF SPOT COAL PURCHASING PROCEDURES

The Audit Staff examined the procedure followed by the Company's fossil fuel area, Electric Fuels-Carolina, for obtaining and accepting bids on spot coal. Electric Fuels-Carolina maintains a list of coal vendors (suppliers) from whom bids are solicited as needed. When bids are requested, Carolina Power & Light Company's spot coal purchasing personnel mails each of these coal vendors a Coal Quotation Form and letter requesting bids. In order for a coal vendor's name to be on this mailing list, the coal vendor must have completed the Supplier Capability Report and must possess the necessary financial, technical, and business resources to supply coal consistent with Carolina Power & Light Company's requirements.

The Coal Quotation Forms provide such information as the name of the coal company (the supplier), the name of the producer, the name of the mine, the

number of tons offered, coal specifications, price per ton, the month(s) the shipment will be made, mining methods of the producer and shipping transportation data. It should be noted that these solicitation letters and Coal Quotation Forms, based on whether a coal vendor has any spot coal to sell, are sent to the suppliers when there are near-term needs (one to twelve months) for coal.

If the Company decides to purchase spot coal in a given month, after reviewing their spot coal requirements, then all the bids received are evaluated. The Company normally requires all bids to be made on Coal Quotation Forms. For evaluation purposes, the spot coal quotations are evaluated in a coal quality impact model that examines cost impacts related to boiler efficiency, fuel handling and ash handling. Then an optimization model is run, which in addition to recommending the distribution of the coal to the plants, also statistically compiles the quotation data and is used by the Company to adhere to sulfur limitations imposed by State and Federal regulations, as well as to exclude any coal that may exceed other environmental and generating unit constraints.

The Company's coal procurement personnel consider at least three factors when they evaluate the spot coal bids: (a) cost of the delivered coal on a cents/mmBtu basis, (b) the BTU, ash, moisture, volatiles, grindability, ash softening temperature, and sulfur content of the coal offered and (c) the past performance of the supplier and coal obtained from the producer. The Company's coal procurement personnel determine the current market price for spot coal prior to negotiating with the coal vendors over their bids. In this way,

the coal procurement personnel determine the limits they should stay within when bargaining for coal. The coal procurement personnel bargain over the price of the coal as well as other possible terms and conditions of a prospective purchase, and either accepts or rejects the coal vendor's offer, or the Company may make a counter-offer to the vendor's offer.

Upon agreement on a spot coal purchase, Electric Fuels-Carolina prepares a purchase letter, which documents the terms and conditions of the purchase. The coal vendor is faxed a copy of the purchase letter. The coal vendor takes samples of coal according to ASTM Standards. The samples are sent to an independent fuel laboratory which analyzes each spot coal shipment for BTU, ash, moisture and sulfur content, and periodically analyzes coal for volatiles, grindability, and ash softening temperature. The coal analysis results are entered into the computerized Fuel Management System, which is used by Electric Fuels-Carolina to monitor coal receipts and to process coal payments. The appropriate premium or penalty on the coal purchased is determined by Electric Fuels-Carolina through the Fuel Management System which adds a premium or assesses a penalty to the total amount due to the coal vendor, and the results are forwarded to the Company's Accounting Department. Electric Fuels-Carolina closely monitors the quality of coal shipped by various producers. If a certain producer renders poor performance, the coal procurement personnel consider this when analyzing any future offers received from the supplier.

Occasionally, Electric Fuels-Carolina receives unsolicited bids for the purchase of coal. The same procedure is used when evaluating the offer,

determining the need for spot coal, purchasing, sampling, and assessing penalties or premiums.

The Company's spot coal requirements are obtained through short-term commitments with terms that may range from one month to twelve months duration.

During the first quarter of the period (January 2001 through December 2001), the Company, after a review of its inventory needs, was able to determine some of the spot coal tons required. At that time, the Company determined that approximately 846,000 tons of spot coal could be required. The actual amount of spot coal received for this period is reflected in Staff's Exhibit A.

EXHIBITS

The Audit Department Staff's exhibits relative to this proceeding are identified as follows:

EXHIBIT A: COAL COST STATISTICS (AND WEIGHTED AVERAGE OF COAL RECEIVED)

In Exhibit A, Coal Cost Statistics, Staff compares spot and contract coal received for the period January 2001 through December 2001. The comparison is made in five (5) areas as follows;

- (1) Tons Received
- (2) Percentage of Total Tons Received
- (3) Received Cost Per Ton
- (4) Total Received Cost
- (5) Cost Per MBTU

This exhibit also reflects the total spot and contract tons received during the period January 2001 through December 2001. Staff has taken the total received cost for the twelve (12) months and divided this by the total tons for the twelve (12) months in arriving at a Weighted Average Cost per ton for the twelve (12)-month period.

EXHIBIT B: RECEIVED COAL-COST PER TON (PER PLANT)

This exhibit reflects the received cost per ton by month for each of Carolina Power and Light Company's plants.

EXHIBIT C: RECEIVED COAL-COST PER TON COMPARISON

In Exhibit C, Received Coal-Cost Per Ton, Staff has made a comparison of received coal-cost per ton for Carolina Power & Light Company, Duke Power Company and South Carolina Electric & Gas Company. The costs per ton reflected for the coal purchases were extracted from fuel costs data from all three major electric utilities.

EXHIBIT D: COAL FUEL STOCKS—NUMBER OF DAYS OF SUPPLY (ALL PLANTS)

This exhibit reflects Carolina Power & Light Company's coal inventory in terms of tons received, consumed, and on hand at the end of the month. The number of days of supply is also shown.

EXHIBIT E: TOTAL BURNED COST (FOSSIL AND NUCLEAR)

This exhibit shows fuel costs burned by type during the period January 2001 through December 2001, including emission allowance costs.

EXHIBIT F: COST OF FUEL

In Exhibit F, Staff has computed the total fuel cost applicable to the factor computation. There are three (3) components used in arriving at this cost. These components are as follows:

- (1) Cost of Fuel Burned
- (2) Purchase and Interchange Power Cost
- (3) Authorized Adjustments

Cost of Fuel Burned – This amount is the burned cost of all fossil and nuclear fuel burned during the period. The costs associated with emission allowances are also reflected. A detail breakdown of coal, oil, gas, emission allowances and nuclear fuel can be seen in Exhibit E.

Purchase and Interchange Power Fuel Cost – This amount is the monthly kilowatt hours delivered to or received by one electric utility from another electric utility.

Authorized Adjustments – These are amounts decreasing the total fuel cost as authorized by regulatory agencies.

Total fuel cost applicable to the factor is computed by adding cost of fuel burned to purchase and interchange power and authorized adjustments.

EXHIBIT G: S.C. FUEL COSTS COMPUTATION

Shown in this exhibit are the actual costs for January 2001 through December 2001 and the estimated fuel costs for January, February and March 2002.

Based on the Audit Staff's examination of Carolina Power & Light Company's books and records, a comparison of fuel costs among utilities and the utilization of the fuel costs recovery mechanism as directed by this Commission, the Audit Staff is of the opinion that the Company has complied with the directives of the Commission.

CAROLINA POWER AND LIGHT COMPANY
COAL COST STATISTICS
JANUARY 2001 - DECEMBER 2001
SPOT

<u>MONTH</u>	<u>TONS RECEIVED</u>	<u>PERCENTAGE</u>	<u>COST/TON RECEIVED</u>	<u>TOTAL RECEIVED COST</u>	<u>\$/MBTU</u>
	<u>TONS</u>	<u>%</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Jan-01	270,849.96	24.29%	43.54	11,793,825.96	1.7244
Feb-01	253,290.35	22.64%	45.77	11,593,717.07	1.8193
Mar-01	162,706.52	14.42%	43.75	7,118,371.00	1.7396
Apr-01	182,293.22	16.36%	45.86	8,360,569.79	1.8071
May-01	84,057.58	8.40%	43.73	3,676,023.64	1.7523
Jun-01	66,512.91	7.18%	43.34	2,882,476.57	1.7139
Jul-01	97,777.77	10.35%	47.30	4,624,532.66	1.8699
Aug-01	182,187.83	16.76%	49.93	9,096,233.03	2.0213
Sep-01	170,114.35	17.21%	50.06	8,516,381.62	2.0272
Oct-01	173,368.30	15.87%	51.62	8,949,819.31	2.0879
Nov-01	159,318.65	15.61%	48.06	7,656,721.29	1.9316
Dec-01	69,513.56	7.28%	45.90	3,190,750.28	1.7816
Totals (1/01 - 12/01)	<u>1,871,991.00</u>			<u>87,459,422.22</u>	

CONTRACT

<u>MONTH</u>	<u>TONS RECEIVED</u>	<u>PERCENTAGE</u>	<u>COST/TON RECEIVED</u>	<u>TOTAL RECEIVED COST</u>	<u>\$/MBTU</u>
	<u>TONS</u>	<u>%</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Jan-01	844,353.61	75.71%	42.57	35,940,498.62	1.7219
Feb-01	865,270.49	77.36%	41.84	36,198,361.87	1.6957
Mar-01	965,674.75	85.58%	44.24	42,723,529.77	1.7842
Apr-01	932,086.12	83.64%	43.21	40,278,993.33	1.7435
May-01	916,501.16	91.60%	42.46	38,912,405.06	1.7127
Jun-01	859,698.71	92.82%	42.42	36,466,183.77	1.7170
Jul-01	847,019.59	89.65%	44.06	37,319,904.22	1.7737
Aug-01	904,768.31	83.24%	43.26	39,136,549.88	1.7528
Sep-01	818,161.32	82.79%	42.46	34,734,652.55	1.7202
Oct-01	918,778.48	84.13%	42.74	39,269,769.03	1.7220
Nov-01	861,170.74	84.39%	42.81	36,865,029.19	1.7281
Dec-01	885,123.78	92.72%	44.97	39,806,381.47	1.8104
Totals (1/01 - 12/01)	<u>10,618,607.06</u>			<u>457,652,258.76</u>	

COMBINED

<u>MONTH</u>	<u>TONS RECEIVED</u>	<u>PERCENTAGE</u>	<u>COST/TON RECEIVED</u>	<u>TOTAL RECEIVED COST</u>	<u>\$/MBTU</u>
	<u>TONS</u>	<u>%</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Jan-01	1,115,203.57	100.00%	42.80	47,734,324.58	1.7225
Feb-01	1,118,560.84	100.00%	42.73	47,792,078.94	1.7241
Mar-01	1,128,381.27	100.00%	44.17	49,841,900.77	1.7777
Apr-01	1,114,379.34 {1}	100.00%	43.65 {1}	48,639,563.12	1.7541
May-01	1,000,558.74	100.00%	42.56	42,588,428.70	1.7160
Jun-01	926,211.62	100.00%	42.48	39,348,660.34	1.7168
Jul-01	944,797.36	100.00%	44.39	41,944,436.88	1.7839
Aug-01	1,086,956.14	100.00%	44.37	48,232,782.91	1.7978
Sep-01	988,275.67	100.00%	43.76	43,251,034.17	1.7731
Oct-01	1,092,146.78	100.00%	44.15	48,219,588.34	1.7799
Nov-01	1,020,489.39	100.00%	43.62	44,521,750.48	1.7600
Dec-01	954,637.34	100.00%	45.04	42,997,131.75	1.8082
Totals (1/01 - 12/01)	<u>12,490,598.06</u>			<u>545,111,680.98</u>	

Total Received Cost = 545,111,680.98 = \$ 43.64

Total Tons Received 12,490,598.06

(1) Before Aerial Survey Inventory Adjustment

AUDIT EXHIBIT B

CAROLINA POWER & LIGHT COMPANY
RECEIVED COAL-COST PER TON (PER PLANT)
JANUARY 2001 - DECEMBER 2001

PLANT	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CAPE FEAR	41.20	38.58	40.35	39.79	37.97	39.85	39.84	42.37	43.78	40.50	40.26	41.75
WEATHERSPOON	47.83	41.80	46.59	44.15	47.32	47.34	48.26	47.57	47.41	46.77	48.09	45.35
LEE	42.48	42.08	49.72	45.22	43.79	40.67	48.28	42.60	38.88	45.01	41.35	39.39
SUTTON	44.11	49.59	49.31	49.64	49.32	48.21	49.17	51.42	53.51	50.88	48.08	49.52
ROBINSON	49.51	36.75	47.12	51.02	42.34	51.61	44.49	43.93	45.33	42.94	0.00	42.80
ASHEVILLE	41.62	45.62	44.93	45.72	42.77	47.17	47.67	50.31	44.28	44.56	44.30	43.90
ROXBORO 1-3	43.09	42.44	44.36	42.24	42.56	42.09	44.95	43.99	42.78	43.65	44.39	44.19
ROXBORO 4	41.92	41.58	40.73	43.91	40.16	39.92	41.37	42.24	39.69	42.84	42.71	48.23
MAYO	40.97	41.56	40.92	40.80	40.58	40.00	41.54	41.55	40.54	42.07	40.05	49.78
TOTAL	42.80	42.73	44.17	43.65	42.56	42.48	44.39	44.37	43.76	44.15	43.62	45.04

AUDIT EXHIBIT C

CAROLINA POWER & LIGHT COMPANY
RECEIVED COAL-COST PER TON COMPARISON
JANUARY 2001 - DECEMBER 2001

MONTH	CAROLINA POWER & LIGHT COMPANY			
	FREIGHT		TOTAL COST	COST PER
	INVOICE COST	COST PER		
	PER TON	TON	PER TON	MBTU
	\$	\$	\$	\$
Jan-01	30.96	11.84	42.80	1.7225
Feb-01	31.08	11.65	42.73	1.7241
Mar-01	32.55	11.62	44.17	1.7777
Apr-01	31.83	11.82	43.65	1.7541
May-01	30.91	11.65	42.56	1.7160
Jun-01	30.74	11.74	42.48	1.7168
Jul-01	32.73	11.66	44.39	1.7839
Aug-01	32.47	11.90	44.37	1.7978
Sep-01	31.83	11.93	43.76	1.7731
Oct-01	32.39	11.76	44.15	1.7799
Nov-01	31.94	11.68	43.62	1.7600
Dec-01	33.39	11.65	45.04	1.8082

MONTH	DUKE POWER COMPANY			
	FREIGHT		TOTAL COST	COST PER
	INVOICE COST	COST PER		
	PER TON	TON	PER TON	MBTU
	\$	\$	\$	\$
Jan-01	24.85	10.64	35.49	1.4435
Feb-01	25.27	10.64	35.91	1.4716
Mar-01	28.04	10.54	38.58	1.5734
Apr-01	28.01	10.38	38.39	1.5561
May-01	28.20	10.49	38.69	1.5677
Jun-01	29.00	10.68	39.68	1.6172
Jul-01	32.31	10.52	42.83	1.7608
Aug-01	29.77	10.39	40.16	1.6480
Sep-01	32.14	10.38	42.52	1.7465
Oct-01	29.54	10.73	40.27	1.6537
Nov-01	28.05	10.32	38.37	1.5650
Dec-01	28.00	10.29	38.29	1.5727

MONTH	SOUTH CAROLINA ELECTRIC & GAS COMPANY			
	FREIGHT		TOTAL COST	COST PER
	INVOICE COST	COST PER		
	PER TON	TON	PER TON	MBTU
	\$	\$	\$	\$
Jan-01	26.09	12.55	38.64	1.5132
Feb-01	25.51	12.01	37.52	1.5091
Mar-01	25.88	11.94	37.82	1.4816
Apr-01	25.87	12.43	38.30	1.5031
May-01	27.26	12.17	39.43	1.5405
Jun-01	27.61	12.93	40.54	1.5919
Jul-01	27.42	12.59	40.01	1.5712
Aug-01	27.31	12.53	39.84	1.5738
Sep-01	27.56	12.79	40.35	1.5986
Oct-01	28.65	12.30	40.95	1.6259
Nov-01	29.89	12.51	42.40	1.6827
Dec-01	30.04	11.99	42.03	1.6612

AUDIT EXHIBIT D

CAROLINA POWER & LIGHT COMPANY
COAL FUEL STOCKS - NUMBER OF DAYS OF SUPPLY (ALL PLANTS)
JANUARY 2001 - DECEMBER 2001

<u>MONTH</u>	<u>TONS BEGINNING</u> <u>OF MONTH</u>	<u>TONS RECEIVED</u> <u>DURING MONTH</u>	<u>TONS CONSUMED</u> <u>DURING MONTH</u>	<u>BALANCE END</u> <u>OF MONTH</u>	<u>NUMBER OF</u> <u>DAYS OF SUPPLY</u>
	TONS	TONS	TONS	TONS	DAYS
Jan-01	1,165,506	1,115,203	950,842	1,329,867	33
Feb-01	1,329,867	1,118,561	879,851	1,568,577	39
Mar-01	1,568,577	1,128,381	1,012,752	1,684,206	41
Apr-01	1,684,206	1,046,261 {1}	811,718	1,918,749	47
May-01	1,918,749	1,000,559	817,447	2,101,861	52
Jun-01	2,101,861	926,212	978,454	2,049,619	50
Jul-01	2,049,619	944,797	1,013,951	1,980,465	49
Aug-01	1,980,465	1,086,956	1,148,345	1,919,076	47
Sep-01	1,919,076	988,276	910,409	1,996,943	49
Oct-01	1,996,943	1,092,147	926,214	2,162,876	53
Nov-01	2,162,876	1,020,489	885,974	2,297,391	56
Dec-01	2,297,391	954,637	971,656	2,280,372	56

{1} Includes an aerial survey inventory adjustment - reduction of 68,118 tons.

AUDIT EXHIBIT E

CAROLINA POWER & LIGHT COMPANY
TOTAL BURNED COST (FOSSIL AND NUCLEAR) *
JANUARY 2001 - DECEMBER 2001

<u>MONTH</u>	<u>COAL</u>	<u>OIL</u>	<u>GAS</u>	<u>EMISSION ALLOWANCES</u>	<u>NUCLEAR</u>	<u>TOTAL BURNED COST</u>
	\$	\$	\$	\$	\$	\$
Jan-01	40,277,804	3,646,596	(2,537)	1,158,639	9,644,314	54,724,816
Feb-01	37,183,125	1,274,591	195	1,062,259	8,409,117	47,929,287
Mar-01	43,437,396	3,837,179	428,237	1,342,652	7,216,310	56,261,774
Apr-01	35,640,956	4,392,691	523,855	1,018,627	7,435,082	49,011,211
May-01	36,377,072	1,486,389	2,066,996	949,693	8,520,691	49,400,841
Jun-01	42,961,475	857,485	4,813,747	1,156,471	9,150,944	58,940,122
Jul-01	44,208,889	1,446,816	8,089,356	1,419,262	9,485,658	64,649,981
Aug-01	50,621,774	2,918,829	10,846,393	1,141,772	9,454,017	74,982,785
Sep-01	40,132,596	414,541	4,231,273	1,322,087	8,355,025	54,455,522
Oct-01	40,374,129	724,872	1,469,044	1,092,931	7,246,706	50,907,682
Nov-01	38,691,540	480,156	920,420	1,080,327	7,100,027	48,272,470
Dec-01	42,569,785	516,618	1,862,853	(7,731,163)	7,215,890	44,433,983
TOTALS	492,476,541	21,996,763	35,249,832	5,013,557	99,233,781	653,970,474

* Includes Emission Allowances

AUDIT EXHIBIT F

CAROLINA POWER & LIGHT COMPANY
COST OF FUEL
JANUARY 2001 - DECEMBER 2001

<u>MONTH</u>	<u>COST OF FUEL BURNED</u>	<u>PURCHASE AND INTERCHANGE POWER FUEL COSTS</u>	<u>FUEL COST RECOVERED INTERSYSTEM SALES</u>	<u>TOTAL NET FUEL COST</u>
	\$	\$	\$	\$
Jan-01	54,724,816	25,270,170	(13,422,702)	66,572,284
Feb-01	47,929,287	6,268,274	(11,945,914)	42,251,647
Mar-01	56,261,774	11,495,237	(10,601,192)	57,155,819
Apr-01	49,011,211	11,505,763	(13,371,556)	47,145,418
May-01	49,400,841	4,865,910	(8,885,458)	45,381,293
Jun-01	58,940,122	12,795,549	(11,013,114)	60,722,557
Jul-01	64,649,981	13,277,917	(13,325,384)	64,602,514
Aug-01	74,982,785	18,359,884	(20,079,153)	73,263,516
Sep-01	54,455,522	6,219,962	(10,238,351)	50,437,133
Oct-01	50,907,682	5,328,176	(9,744,899)	46,490,959
Nov-01	48,272,470	5,431,916	(5,613,712)	48,090,674
Dec-01	44,433,983	8,780,814	(6,545,985)	46,668,812
Total	653,970,474	129,599,572	(134,787,420)	648,782,626

CAROLINA POWER & LIGHT COMPANY
S.C. FUEL COSTS COMPUTATION
JANUARY 2001 - MARCH 2002

	ACTUAL					
	January 2001	February 2001	March 2001	April 2001	May 2001	June 2001
Fossil Fuel	45,080,502	39,520,170	49,045,464	41,576,129	40,880,150	49,789,178
Nuclear Fuel	9,644,314	8,409,117	7,216,310	7,435,082	8,520,691	9,150,944
Purchased Power (2)	25,270,170	6,268,274	11,495,237	11,505,763	4,865,910	12,795,549
Sub-total	79,994,986	54,197,561	67,757,011	60,516,974	54,266,751	71,735,671
Less: Intersystem Sales	13,422,702	11,945,914	10,601,192	13,371,556	8,885,458	11,013,114
Net Fuel Costs	66,572,284	42,251,647	57,155,819	47,145,418	45,381,293	60,722,557
Total System KWH Sales	5,080,856,240	3,910,799,786	3,822,396,130	3,614,235,733	3,709,606,425	4,245,038,148
\$/KWH	0.01310	0.01080	0.01495	0.01304	0.01223	0.01430
Less: Base	0.01265	0.01265	0.01265	0.01517	0.01517	0.01517
Fuel Adjustment/KWH	0.00045	(0.00185)	0.00230	(0.00213)	(0.00294)	(0.00087)
S.C. KWH Sales	675,036,242	601,491,025	542,856,882	532,304,933	547,094,607	611,450,425
Deferred Fuel Entry	303,766	(1,112,758)	1,248,571	(1,133,810)	(1,608,458)	(738,508)
December 2000 (1)	18,627,471					(3)
Cumulative (Over)/Under Recovery	18,931,237	17,818,479	19,067,050	17,933,240	16,324,782	15,586,274

Note:

(1) Staff's cumulative under-recovery balance brought forward from December 2000 of \$18,627,471 differs from the Company's beginning cumulative under-recovery balance from December 2000. This beginning cumulative difference is based on Staff's corrections from the last fuel review period. It should be noted that the Company, in its testimony, includes an applicable adjustment of \$387,166 to April 2001's monthly deferred fuel entry.

(2) Staff's Purchased Power figures for January 2001, February 2001, April 2001, May 2001, July 2001, September 2001 through December 2001 and the resultant (over)/under-recovery monthly amounts for January 2001, February 2001, April 2001, September 2001 and December 2001 differs from the Company's figures. Staff's figures reflect calculation adjustments made to Purchased Power Costs for January 2001 through December 2001, per Staff's report. As a result, on a S.C. jurisdictional basis, the difference between the Company's and the Staff's cumulative under-recovery balances as of actual December 2001 is \$435,145, and the difference as of estimated March 2002 is \$435,144 (the difference between the respective cumulative differences is based on rounding).

(3) The over-recovery for June 2001 consists of June's over-recovery amount of \$ 531,962 and a Company Emission Allowance true-up adjustment for 7/00 of \$ 206,546.

(4) The over-recovery reflected for November 2001 consists of November's over-recovery deferred fuel entry of \$ 708,056, and a Company Emission Allowance revised true-up adjustment for July 2000, which was an under-recovery adjustment of \$ 179,895.

CAROLINA POWER & LIGHT COMPANY
S.C. FUEL COSTS COMPUTATION
JANUARY 2001 - MARCH 2002

	ACTUAL							ESTIMATED		
	July 2001	August 2001	September 2001	October 2001	November 2001	December 2001	January 2002	February 2002	March 2002	
Fossil Fuel	55,164,323	65,528,768	46,100,497	43,660,976	41,172,443	37,218,093				
Nuclear Fuel	9,485,658	9,454,017	8,355,025	7,246,706	7,100,027	7,215,890				
Purchased Power (2)	13,277,917	18,359,884	6,219,962	5,328,176	5,431,916	8,780,814				
Subtotal	77,927,898	93,342,669	60,675,484	56,235,858	53,704,386	53,214,797				
Less: Intersystem Sales	13,325,384	20,079,153	10,238,351	9,744,899	5,613,712	6,545,985				
Net Fuel Costs	64,602,514	73,263,516	50,437,133	46,490,959	48,090,674	46,668,812	57,972,100	53,798,700	53,736,100	
Total System KWH Sales	4,533,616,190	4,630,941,488	4,381,161,491	3,751,241,456	3,494,361,617	3,636,420,548	4,304,138,000	4,093,301,000	3,960,822,000	
\$/KWH	0.01425	0.01582	0.01151	0.01239	0.01376	0.01283	0.01347	0.01314	0.01357	
Less: Base	0.01517	0.01517	0.01517	0.01517	0.01517	0.01517	0.01517	0.01517	0.01517	
Fuel Adjustment/KWH	(0.00092)	0.00065	(0.00366)	(0.00278)	(0.00141)	(0.00234)	(0.0017)	(0.00203)	(0.0016)	
S.C. KWH Sales	625,925,156	668,323,731	634,683,895	543,811,331	502,167,357	502,142,061	665,027,000	585,980,000	549,271,000	
Deferred Fuel Entry	(575,851)	434,410	(2,322,943)	(1,511,796)	(528,161) (4)	(1,175,012)	(1,130,546)	(1,189,539)	(878,834)	
June 2001 - (p. 1 of 2)	15,586,274									
Cumulative (Over)/Under										
Recovery	15,010,423	15,444,833	13,121,890	11,610,094	11,081,933	9,906,921	8,776,375	7,586,836	6,708,002	

(Explanations for Notes (2) and (4) are on Page 1 of 2.)